

**GOVERNMENT OF ANDHRA
PRADESH ABSTRACT**

Prohibition & Excise – Rationalization of rates levied on the issue price of Indian Made Foreign Liquor and Foreign Liquor (medium and premium segments) supplied by the wholesale IMFL Depots to the retail licensees of by Shop, Bar and In-House – Orders – Issued.

REVENUE (EXCISE) DEPARTMENT

G.O.MS.No. 312

Dated: 29-10-2020.

Read the following:

- 1) G.O.Ms.No.422 Revenue (Excise-II) Dept. dated 30.09.2019.
- 2) G.O.Ms.No.128 Revenue (Excise-II) Dept .dated 04.05.2020.
- 3) G.O.Ms.No.129 Revenue (Excise-II) Dept. dated 05.05.2020.
- 4) G.O.Ms.No.256 Revenue (Excise-II) Dept. dated 03.09.2020.
- 5) G.O.Ms.No.273 Revenue (Excise) Dept. dated 18.09.2020
- 6) From the Commissioner of Proh. & Excise Cr.No.3636/2019/CPE/E3, Dt 26.10.2020.

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ORDER:

The Government of Andhra Pradesh, by an avowed policy, is committed to reduction in Alcohol consumption in the state, with a view to improve the physical quality of life of its people.

2. Several proactive steps have been taken by the Government in this direction. Notable among them are removal of 43,000 Belt shops spread across various villages throughout the state, dispensing with the Permit Rooms, reduction in the business hours, reduction in the maximum possession limit of intoxicants which a person can possess without licence or permit, etc. Further, in order to ensure that there remain no belt shops in any village, the Government removed private people from operating liquor shops.

3. The Government have reduced the retail outlets from (4380) to (2934) i.e. by about 33% to reduce access to availability of liquor and granted exclusive privilege to APSBCL to run these retail outlets in public interest. Furthermore, the Government issued orders to reduce bars by 40% from (840) to (530) which is sub-judice.

4. In order to create awareness among the public on the evils of consumption of liquor / intoxicants, the Madya Vimochana Prachara Committee was constituted and awareness programs are being conducted all over the State.

5. Further, the Government revised the rates upwards per bottle with a view to reduce consumption of liquor in the State in the reference 1st

read above w.e.f. 01.10.2019. The rates have been subsequently increased in the references 2nd and 3rd read above increasing the MRPs of liquor by about 75% keeping in view the situation following the outbreak of Covid-19 pandemic and to further discourage consumption of liquor in the State.

6. Though all the above measures taken up to reduce consumption of liquor in a phased manner have led to a drastic fall in the consumption of alcohol in the State, it is noticed that there is an increase in the incidence of smuggling of liquor into the State of Andhra Pradesh from May, 2020 onwards. The most important reason for increase in inter-State smuggling is increased prices of liquor in Andhra Pradesh due to upward revision of rates when compared to the prevailing prices of liquor in the neighboring states, especially Telangana and Karnataka.

7. The Government have reviewed the matter and noticed that apart from increase in the smuggling of liquor into the State of Andhra Pradesh, there have been unfortunate deaths due to consumption of sanitizers and methyl alcoholic preparations. Under these circumstances, the Government felt an imperative need for rationalization of rates levied on the liquor, beer and RTD to realize the objectives of reducing the consumption of liquor in the State of Andhra Pradesh but at the same time preventing inter-State smuggling of liquor into A.P. and consumption of sanitizers leading to death. Accordingly, the Government in the reference 4th read above have rationalized the rates of liquor, beer and RTD reducing the rates of ordinary segment of liquor, beer and RTD, while moderately increasing the prices of medium and premium segments of liquor.

8. The Special Enforcement Bureau, in its report, has observed that the smuggling in respect of medium and premium categories of liquor into State of Andhra Pradesh is still high. An analysis of the inflow of illegal liquor into State of Andhra Pradesh during the one month period from 15th September'2020 to 15th October'2020 reveals that (1211) cases of smuggling have been registered, out of which (630) cases are in respect of smuggling from Telangana, (546) cases in respect of Karnataka, (24) cases in respect of Odissa and (11) cases in respect of Tamilnadu. The most smuggled liquor brands are in the category of medium and premium segments. The report points to the large difference between the MRPs of medium and premium liquor brands, observing that the prices of some brands of liquor in A.P. are more than double the MRPs prevailing in Telangana and Karnataka. The report therefore suggests to reduce the MRPs of medium and premium brands of liquor so as to prevent smuggling of liquor in these segments and consequent drain of the revenues of the State.

9. The Special Enforcement Bureau (SEB) has further pointed out that the smuggling is more prevalent in border area Mandals of A.P. Further, SEB has pointed out that there have been seizures of huge quantities of IMFL during this period. SEB has also pointed out that due to progressive policies of the Government and earlier rationalization of prices vide reference 4th read above, the smuggling of low / chief brands appears to have gradually decreased due to price rationalization as well as intensive efforts of SEB and

the Government. The SEB has also stated that further rationalization in medium and higher categories of liquor will help in curbing smuggling of liquor further and reduce illegal sale of spurious liquor, in public interest.

10. The SEB has further concluded that the smuggling in medium price category brands has increased, in comparison to the previous study, whereas in the low priced category the smuggling has declined. It can thus be inferred that the smuggling trend is shifting towards the medium category liquor.

11. The Government after careful consideration of the prevailing conditions along with pursuance of SEB report, keeping with its avowed policy of reducing consumption of liquor has decided to rationalize rates in order to ensure reduction in consumption of liquor and complete stoppage of interborder smuggling.

12. Accordingly, the following Notification will be published in an Extraordinary issue of the Andhra Pradesh Gazette, dated the 29th October, 2020.

NOTIFICATION

In exercise of the powers conferred by Clause (e) of Section-22 of the Andhra Pradesh Excise Act, 1968 (Andhra Pradesh Act No. 17 of 1968) and in partial modification of the orders issued in the reference 4th read above, the Government of Andhra Pradesh partially modify the rates per bottle on the issue price of Indian Made Foreign Liquor and Foreign Liquor supplied by the Wholesale IMFL depots to the retail licensees of by Shop, Bar and In-House as specified for each specified category as detailed below and in multiples of volumes thereof except for categories where there is no change.

Category (180 ml MRP)	50/60/90 ml	200/180 ml	360/375 ml	700/750 ml	1000 ml and above
Upto Rs.150/-	No change	No change	No change	No change	No change
Above Rs.150/- up to Rs.200/-	No change	No change	No change	No change	No change
Above Rs.200/- up to Rs.350/-	-50	-100	-200	-400	-540
Above Rs.350/- up to Rs.370/-	-60	-110	-220	-440	-590
Above Rs.370/- up to Rs.460/-	-100	-190	-380	-760	-1020
Above Rs.460/- up to Rs.490/-	-70	-140	-280	-560	-750
Above Rs.490/- upto Rs.550/-	-80	-150	-300	-600	-810
Above Rs.550/- upto Rs.870/-	-90	-180	-360	-720	-970
Above Rs.870/- upto Rs.1010/-	-100	-200	-400	-800	-1060
Above Rs.1010/-	-130	-250	-500	-1000	-1350

BEER		in Rs.
Category	355/330 ml	500/ 650 ml
All Ranges	No change	No change

READY TO DRINK		in Rs.
Category	250/275/ 330 ml	
All Ranges	No change	

2. These orders shall come into force w.e.f. 30.10.2020.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. RAJAT BHARGAVA
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To

The Commissioner of Printing and Stationery and Stores Purchase, A.P.,
Vijayawada (with a request to send 100 copies of the Notification to
Government and 300 copies to the Commissioner of Prohibition & Excise,
A.P., Vijayawada)

The Commissioner of Prohibition and Excise, A.P., Vijayawada.

The Managing Director, A.P. State Beverages Corporation Limited,
Vijayawada.

Copy to:

P.S. to Prl. Advisor to the Hon'ble Chief Minister of A.P.

P.S. to Advisor to the Hon'ble Chief Minister, Vice Chairman, Implementation
& Monitoring Committee, NAVARATNALU Programme,
A.P.Secretariat,Velagapudi.

The Executive Assistant to the Hon'ble CM, Chief Minister's Office (CMO),
A.P. Secretariat, Velagapudi.

The Chief Public Relations Officer to the Hon'ble CM, Chief Minister's Office
(CMO), A.P. Secretariat, Velagapudi.

P.S. to the Hon'ble Deputy Chief Minister (Excise & CT).

P.S. to the Chief Secretary, A.P. Secretariat, Velagapudi.

P.S. to the Special Chief Secretary to Govt. Revenue (CT, P&E, R&S).
SC/SF.

// FORWARDED :: BY ORDER //

SECTION OFFICER